

Naples, Florida

April 4, 1990

LET IT BE KNOWN, that the Board of Supervisors of the Pelican Bay Improvement District reconvened on this date in continued session at 4:00 P.M., in the BancFlorida Building, Fifth Floor, 5801 Pelican Bay Boulevard, Naples, Florida, with the following members present:

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| PRESIDENT: | James D. Hake |
| SECRETARY: | Ramer B. Holtan |
| TREASURER: | J. Russell Mudge |
| | James F. Dunwiddie |
| | Walter B. Potter |

ALSO PRESENT: Mr. Gary L. Moyer, District Manager; Mr. James P. Ward, Assistant District Manager; Mr. F. Joseph McMackin and Mr. Louis D'Agostino, Attorneys for the District; Messrs. Tom Peek, Steve Means and Ron Orach of Wilson, Miller, Barton, Soll & Peek; Messrs. Lou Hoegsted, Bob McClure and Edward Griffith of Westinghouse Communities of Naples, Inc.; Mr. Rudy Small, Chairman of the Pelican Bay Improvement District Conservation Advisory Committee; Members of the News Media; Pelican Bay Residents and Ms. Jean C. Smith, Assistant Secretary.

AGENDA

1. Roll Call.
2. Approval of Minutes of the Meeting held on February 21, 1990.
3. Status Report Regarding Discussions Between Hole, Montes & Associates and Wilson, Miller, Barton, Soll & Peek, on the Collier County Report to Provide Service to the Pelican Bay Improvement District.
4. Consideration of Award of Bid for Street Light Luminaires.
5. Continuation of Discussion with Respect to the Forum Lifecare.
6. Consideration of Grant of Easement for a Portion of Lake Six (6) in Oakmont.

7. Engineer's Report.
 - A) Consideration of Change Order to Mitchell & Stark Contract D-34.
 - B) Review and Recommendations of Work Authorizations Currently in Process by Wilson, Miller, Barton, Soll & Peek and Consideration of Revised Work Authorizations to Consolidate Revised Work Program for Implementation.
8. Attorney's Report.
9. Manager's Report.
10. Certificates of Payment.
11. Confirmation of Invoices and Operating Summaries.
12. Supervisor's Requests & Audience Participation.
13. Adjournment.

ROLL CALL

Mr. Hake reconvened the meeting of March 21, 1990 at 4:00 P.M. and asked the record show Mr. Potter, absent with all other members present. (Mr. Potter arrived at 4:20 P.M.)

STATUS REPORT REGARDING DISCUSSIONS BETWEEN HOLE, MONTES & ASSOCIATES AND WILSON, MILLER, BARTON, SOLL & PEEK, INC. ON THE COLLIER COUNTY REPORT TO PROVIDE SERVICE TO THE PELICAN BAY IMPROVEMENT DISTRICT

Mr. Hake asked if any representatives from Collier County were present at the meeting. He asked that the record show there was no response to the District's written request to Mr. Ron McLemore to have a representative from Collier County present at this meeting and no one from Collier County was in attendance.

Mr. Hake remarked that it seemed a shame that from Mr. Peek's precise discussion with the County Commissioners at yesterday's County Commission meeting, Mr. Lunsford of the Naples Daily News saw fit to ignore one of the leading engineering firms in the area, and thus, Mr. Peek's message evidently did not get across. Mr. Hake commented that he sometimes wondered whether Mr. Lunsford worked for Collier County or for the Naples Daily News.

At this time, Mr. Hake asked Mr. Peek of WMBS&P to give the Board an in-depth report on how WMBS&P jointly arrived at the numbers with Hole, Montes & Associates, as outlined in the "Alternative Analysis Report for Water, Wastewater and Irrigation Services to Pelican Bay", issued in March 1990.

Mr. Peek advised that, as he has tried to keep the Board apprised during the months since November, 1989, when the Board first gave WMBS&P the assignment to meet with HM&A to discuss the alternatives for providing sewage service to the Pelican Bay Improvement District, WMBS&P first sat with HM&A and determined the required sewage flows that would need to be treated. It was jointly agreed by both firms that, based on the projected buildout and the flow per unit or equivalent unit, the total amount of sewage to be treated at buildout would be 2.64 MGD. The parties then discussed three different alternatives of treating this sewage. The first alternative was to expand the Pelican Bay Improvement District facilities and the system would continue to be operated by the Pelican Bay Improvement District and all necessary components would be maintained within the District and on the Utility Site. In this alternative they jointly identified the various components which would be needed to carry out this function. The second alternative was that the 1.0 MGD Plant which currently exists at the PBID Utility Site would remain intact and operational and that the additional 1.64 MGD, required to be treated over and above the capacity of the plant, would be transported to the North Collier County Wastewater Treatment Plant (NCCWWTP), treated, and the treated effluent would be returned to Pelican Bay for utilization in the

non-potable water system for irrigation purposes. The third alternative was to transport the entire 2.64 MGD to the NCCWWTP, treat it and return the treated effluent back to Pelican Bay for irrigation purposes. This alternative would take the existing treatment facilities, now located within the Pelican Bay Utility Site, out of service.

He explained that in the analyses of the three alternatives, WMBS&P was in the process of preparing the preliminary study for the expansion of the system, so they had a rather extensive line item listing of the various components which would be required in order to treat the sewage on site and these line items were listed in Alternative 1 of the Report. They also had probable costs for each of these line items. They then looked at Alternative No. 2 and what items would need to be constructed within Pelican Bay in order to continue the operation of the 1.0 MGD plant. Included under this alternative was the cost of the pipeline to transport the raw sewage to the NCCWWTP; the pump stations and the effluent line coming back to the plant from the NCCWWTP. In Alternative No. 3, the size of the pipelines and the pumping stations to transport the sewage to the NCCWWTP were listed.

He stated that within the Report the costs were distributed between two Tables, Table 1 on Page 7 of the Report and Table 2 on Page 10 of the Report. He explained that Table 1 contained those expenditures that are required to be spent immediately and Table 2 identified costs that could be delayed to some future date. Mr. Peek identified each line item under Alternative 1 on Table 1 of the Report which totaled \$8,034,000. He then identified the line items under Alternative 2 on Table 1 and explained

that the numbers shown under this Alternative for the 16" force main and the 14" force main were HM&A's numbers and, in WMBS&P's opinion, a 20" force main and an 18" force main would be required in order to properly function with the 1.0 MGD at PBID's site and transport the sewage to the NCCWTP. To further explain this, he stated that you can pump 1.64 MGD through a 16" force main and a 14" effluent line, however, if you limit it to this, then you must add some additional facilities on site in order to permit the 1.0 MGD plant to operate completely and to capacity because if you have an upset in the plant you must have some additional facilities on site to handle this upset. Further, if you installed a 20" line and an 18" line they would transport the full 2.64 MGD, so if you had an upset in the plant you could bypass the on-site plant and transport all of it to the NCCWTP for treatment. He explained that he had expressed this difference in opinion between WMBS&P and HM&A regarding this issue to the Collier County Commissioners at yesterday's meeting and that in his opinion, this was still an open issue that had not yet been resolved by the two firms. It was WMBS&P's opinion that if you lower the pipe size to 16" and 14" you must put in some additional items under Alternative 2, along with their related costs, in order to have a functioning 1.0 MGD plant that meets D.E.R. requirements.

Mr. Peek went on to explain the difference in the costs as outlined in Alternative 1 (\$633,000) and Alternative 2 (\$460,000) for the new effluent storage tank. He advised that Alternative 1 includes the construction of a 3.5 MG storage tank on site and Alternative 2 includes a 2.5 MG storage tank, with the other million gallons being stored in some

percolation ponds at the NCCWWTP which are already existing. Mr. Peek further described the costs in Alternative 2, which totaled \$4,818,000 and he advised that WMBS&P felt that in this Alternative, the figure of \$623,000 for optional pipeline upsizing was not optional and was a required number. He further advised the total cost for Alternative 3 was \$4,600,000.

Mr. Peek explained that Table 2 of the Report was a continued comparison of Alternatives 1, 2 and 3 and that all of the costs as outlined in Alternative 1 would have to be spent immediately for the full upgrading of the plant at the PBID Utility Site. Mr. Peek explained that in Alternative 2 they tried to identify the costs which would be attributable to treating the Pelican Bay sewage. He stated that under the original transfer of raw sewage to the NCCWWTP there is some existing capacity in the NCCWWTP plant which could be used for Pelican Bay sewage, however, it was WMBS&P's opinion that Collier County did not over build this plant for no reason, so there must be some costs which are chargeable back to the additional treatment for Pelican Bay. He stated that line Item 1 identified a raw sewage repump station which is located mid-way between Pelican Bay and the NCCWWTP and it would be an upsizing of a pump station that is in the Collier County Master Plan which Collier County already intends to build. Item 1 and Item 3, the 5 MG potable water storage tank, were identified using incremental costs. More specifically, Collier County Master Plan calls for Pump Station No. 1.04 to be constructed and the Committee took the costs for this pump station and the cost for one including the Pelican Bay requirement and the difference in the price is

the incremental upgrade of \$162,000 which is chargeable for Alternative 2 and Alternative 3. He stated that the 5 MG potable water storage tank has an incremental cost of \$150,000 and this is the difference in the price of a 3.5 mg tank and a 5.0 mg tank. He explained that these two items were debated for many hours and WMBS&P finally agreed to the numbers for this report, however, WMBS&P has been asked by District staff to look and see what the proportionate costs of these two items would be.

Mr. Mudge asked Mr. Peek to explain the difference between incremental costs and proportionate costs. Mr. Peek explained that, for instance, if a 3.5 mg storage tank which Collier County must build anyway costs \$350,000 and a 5.0 mg storage tank costs \$500,000, then the incremental cost would be \$150,000. In comparison, the proportionate cost would be if Pelican Bay was to utilize 1.5 mg of the 5 mg tank, it would be the proportion of the 1.5 mg or 30% of the total cost, and, in this case the numbers would be different by upwards of \$200,000 if proportionate costs were used. In response to a question by Mr. Mudge, Mr. Peek offered that he could make a good argument for either case, however, he could probably make a better argument for proportionate costs. However, WMBS&P did agree with HM&A after they had argued for about eight hours that as a percentage of the total, it was not that large of a percentage difference and if they ever expected to get a Report completed, WMBS&P would agree to the incremental costs in order to move ahead. Mr. Peek advised that if the proportionate costs were used under Alternative 2 the total of the raw sewage repump station and the 5 MG potable water storage tank would be increased by approximately \$300,000. Mr. Peek explained that the reason he

felt that proportionate costs were more appropriate was that if he were a resident of Collier County's Water & Sewer District and helping to pay for the existing system and the County is going to let Pelican Bay residents come into the system for less than their fair share, then as a resident of Collier County he is going to be concerned because this is not fair to the rest of the Collier County District customers. Thus, he felt the proportionate basis is the more appropriate basis to use because it fairly distributes the costs to all of the users of the facilities. Mr. Peek went on to explain the other line items identified in Table 2 of the Report.

Mr. Peek commented that WMBS&P's other concern about this Report having been issued without it being finalized is that when you draw the bottom line to the three alternatives outlined in the Report, the figures are as follows: \$8,034,000 for Alternative 1; \$9,105,000 for Alternative 2 and \$11,004,000 for Alternative 3. He advised that, as he pointed out to the Collier County Commissioners at yesterday's meeting, WMBS&P's second disagreement with HM&A about the issuance of the Report was that WMBS&P wanted the first paragraph of the cost section to have a summary of the total costs and then this could have been followed by the breakdown between immediate costs and future costs. They felt that the Report was incomplete not having a summary of the total costs for each of the alternatives. Mr. Mudge explained that, as a result of the premature issuance of this report, Page 3 of the Executive Summary which was given to the Commissioners, showed only the capital cost figure of \$8,482,000, which is the total for Alternative 2, without the upsizing figure of \$623,000 and the \$8,482,000 contains no financing costs. Mr. Peek also was of the opinion that there

was an inconsistency in the Executive Summary between Item 1 which really talked about Alternative 2, which retains the 1.0 MGD on site and Item 5 of the summary which talked about dismantling the plant and if you think in these terms you must look at the \$11,004,000 figure and not the \$9,105,000 figure.

Mr. Peek also explained to the Board that the numbers used in the Report are as of February 2, 1990 because WMBS&P is still continuing to go through a refinement of the on-site needs to provide sewage treatment service to Pelican Bay. He stated that WMBS&P recognized that they had to use a cut-off date so that the numbers would not continue to change and there could be a conclusion on the comparisons. However, it was Mr. Peek's opinion that, as of this date, if the 1.0 MGD plant is to continue to operate at Pelican Bay and should the County take over the service to the District and inact Alternative 2, there are costs in addition to what are identified in the Report that must be spent at Pelican Bay in order for the plant to continue to treat sewage properly, particularly during the next peak season beginning in December 1990 and the early part of 1991. Mr. Peek suggested that in order to get these two pipelines constructed between Pelican Bay and the NCCWWTP, it would be an optimistic schedule to get this designed, permitted and constructed in twelve months. Mr. Peek further remarked that there are some items which must be constructed at the Pelican Bay plant site in order to meet the needs of the next season and he outlined what WMBS&P felt these items were.

Mr. Hake stated that if HM&A was as brilliant as they consider themselves to be, then they would have known exactly what WMBS&P was

talking about and they would have put some numbers in the Report or a footnote to cover just this thing and it appeared to him that HM&A had been given a set of numbers to meet and to justify.

Mr. Peek distributed a "Comparison of Construction Costs for Improvements at the PBID Site and a Comparison of Construction Costs for Improvements Required at Collier County's Facility" to the Board which outlined the same three alternatives as outlined in the Alternative Analysis Report; however, the figures contained in this comparison were figures determined by WMBS&P as of April 4, 1990. He described various line items in this comparison and described the items and/or improvements which WMBS&P felt needed to be added under Alternatives 2 & 3 which were not contained within the HM&A Report. He stated that in the original Report under Alternative 1, \$358,000 had been included as the cost for a new 1.5 mg potable storage tank. However, in reviewing this matter, it appeared to WMBS&P that if the Carica Road Water Storage Tank, under the County's plan, could be expanded to provide the additional 1.5 mg storage for Alternatives 2 and 3, then it could be expanded for Alternative 1, as the District, by contract, will be getting its water from the County's system and, thus, it seemed logical if it could work for one alternative, it could work for the other. Thus, WMBS&P felt that this line item should be equal across the board for the three alternatives. Mr. Peek further advised that they had changed the cost of the wastewater pumping station using proportionate costs rather than incremental costs. Mr. Hake asked Mr. Peek that if the Report stayed intact using incremental costs rather than proportionate costs, the residents of Pelican Bay would be getting a

much cheaper service than the rest of the County or the County residents would be paying a much larger proportionate share than the residents of Pelican Bay. Mr. Peek responded in the affirmative. In summary, Mr. Peek identified the Grand Total for the project costs of the three alternatives listed in their comparison as follows: Alternative 1 totaled \$7,760,000; Alternative 2 totaled \$9,860,000 and Alternative 3 totaled \$11,818,000. Mr. Mudge asked Mr. Peek whether, in his opinion, these were the latest up-to-date figures. Mr. Peek replied in the affirmative. Mr. Hake commented that to be fair to Hole, Montes & Associates, some of the numbers in the latest comparison prepared by WMBS&P are WMBS&P's present day numbers and have not been discussed with HM&A because a February 2, 1990 cut-off date was used for the original report. Mr. Peek advised that he has tried to be very straight forward with HM&A and he felt they have been straight forward with him and the numbers on the comparison sheet as of April 4, 1990 have not been discussed with HM&A and HM&A has not had the opportunity to react to these figures. Mr. Hake advised that the Board understood this because neither the Board, District staff or WMBS&P wish to play games with any of the numbers; all they desire are the facts. Mr. Peek went on to explain that in the original Report WMBS&P felt that the numbers were not summarized and the public would have some misunderstanding regarding the total costs as outlined in the Report for the three alternatives. Mr. Mudge asked Mr. Peek whether he planned to talk to HM&A about the additional costs. Mr. Peek remarked that he is awaiting direction from the Board before holding any further discussions with HM&A. Mr. Peek advised that WMBS&P has publically stated their concern about the

way the Report was distributed and how they felt two items were still open on the table, however, the Report is now in the public forum and unless the Board gave WMBS&P specific direction, he felt that WMBS&P had concluded its assigned task. Mr. Hake was of the opinion that WMBS&P should continue their discussions with HM&A as WMBS&P saw fit, as the Board is trying to get to the bottom line and learn what the numbers are without any doubt or any question in anyone's mind and if for some reason the County feels the same way, they would be entitled to these numbers. Mr. Potter was of the opinion that County staff is not going to let numbers or facts have any bearing on their decision and what they recommend to the Commissioners. Mr. Hake concurred that this was obvious but he felt the Board should fulfill their part of the contract with the County negotiated by Mr. McMackin in November, 1989.

Following discussion, Mr. Dunwiddie moved, seconded by Mr. Mudge and approved unanimously that WMBS&P be authorized to attempt to continue their discussions with Hole, Montes & Associates to arrive at the correct numbers and that they also attempt to work out with Hole, Montes & Associates a new Report which incorporates these numbers.

For the record, Mr. Dunwiddie stated that he was in agreement with WMBS&P on the new numbers as of April 4, 1990 issued by WMBS&P in their "Comparison of Construction Costs for Improvements at the PBID Site and the Comparison of Construction Costs for Improvements Required at Collier County's Facility" and he agreed with the concept of using proportional costs rather than incremental costs.

Mr. Mudge asked whether WMBS&P had included any figures for

dismantling costs in their comparison. Mr. Peek responded they had not. Mr. Mudge asked Mr. Peek whether he agreed that there would be dismantling costs under Alternative 3. Mr. Peek replied that if the County desired to dismantle the facilities and get rid of them, there would be dismantling costs.

With regard to the allegation of odor problems at the District's Utility Site, alluded to by HM&A at yesterday's County Commission meeting, Mr. Dunwiddie explained that the District has experienced some odor problems in the past, however, these problems have been solved for at least a year and a half and there has been no odor problem since that time. He added that he did not think the County would dismantle the plant nor would there be any areas made available for better uses, because the entire plant site would be needed to operate the facilities, even if all the District's wastewater processing was done at the NCCWWTP.

Mr. Moyer stated that numbers aside, his concern is that WMBS&P convince HM&A and the County that they must recognize the short term improvements which have been added to the list by WMBS&P and which come next season are necessary to be in place and, regardless of what happens, these facilities have to be upgraded and someone has to get the ball rolling. The Board concurred.

Mr. Rudy Small stated that as a resident of Pelican Bay, he is concerned about the operating costs of processing the full 2.64 mgd at the NCCWWTP. He asked Mr. Hake whether any operating costs had been included in the Report. Mr. Hake responded that the natural progression that the Board expected to be going through was that the Engineers would agree on a

Report and after the Report had been finalized the rates and costs would be discussed. However, this point was never reached, as for some reason the County has taken the position that they want the District right now and they do not care what the agreement was.

Mr. Hake commented that he has been reading about the low water pressure problems being experienced in the North Naples area and he asked Mr. Peek to respond as to how this would affect Pelican Bay. Mr. Peek explained that Pelican Bay should not experience any problems with low pressure as the delivery of water to Pelican Bay can and will occur twenty four hours a day and the District's pressure comes from its own high service pumping system at the Utility Site and the water on site will be pulled from the storage tanks.

Mr. Mudge commented that in response to the District's solicitation of interest in providing bulk treated service to Pelican Bay, the City had submitted a Proposal to the District for providing wastewater treatment and reclaimed water for use in irrigation to the District on a wholesale basis. He stated the Proposal from the City was received on April 2, 1990 and also that the County has informed District staff that they are not interested in providing bulk services to the District. Mr. Mudge advised the Board that they have received what he considers favorable rates from the City and the District could purchase treated effluent from the City, have to piped to Pelican Bay at a reasonable cost and this would enable the District to shut down the District's wellfield on Immokalee Road. Mr. Mudge advised the City has also proposed wastewater treatment supply so that the District would not have to expand its facilities.

Under this proposal, the City would take the wastewater, treat it and send it back to Pelican Bay as treated effluent in addition to their excess effluent. This, he remarked, would solve the City's problem and solve the District's problem. Mr. Hake remarked that the South Florida Water Management District would look favorably at this as the District could shut down its wellfield from which they are pulling over 1.5 mgd from the aquifer today and 3.0 mgd at buildout. Mr. Mudge suggested that when the City's rates for these bulk services are worked into the District's rates, which staff has done, the new rates for the District look very attractive. However, Mr. Mudge explained that the only way the Board can determine which is the best alternative is for the County to provide the District with their rates, which to date, they have not done.

Mr. Hake asked Mr. Ward if he would write a letter to Mayor Crawford and Mr. Frank Jones thanking them for their quick response to the District's solicitation of interest in providing bulk treated service to Pelican Bay and for meeting the District's deadline of April 1, 1990 for supplying the District with the rates. Mr. Ward replied he would do this.

Mr. Hake thanked Mr. Peek for his explanation of the Analysis Report and felt it was very well explained and that Mr. Peek had answered all of the Board's questions.

In the interest of the people from the news media who were in attendance at the meeting, Mr. Mudge asked if there would be any further discussion on the County takeover. Mr. Hake remarked that it was not on the Agenda. Mr. Mudge asked if District staff and Mr. McMackin were just going to try and continue their discussions with County staff. Mr. Hake

stated that at yesterday's County Commission meeting, the Commissioners took action and directed staff to prepare a Resolution, however, the Commissioners have not acted on the Resolution and between now and their next meeting, maybe the Commissioners would be intelligent enough to come up with the same findings as the District. Mr. Mudge asked if it were Mr. McMackin's suggestion that the Board "stay the course". Mr. McMackin stated that yesterday the County Commission listened to the discussion and felt that for whatever reason, County staff should proceed with the preparation of a Resolution and other documents which would implement the takeover of the Pelican Bay Improvement District under the succession provision of the District's Enabling Act, which would seat the County Commission in the Supervisor's seats. Mr. McMackin advised that whether, when these documents and resolutions are prepared, the County votes to implement them and to take the Supervisor's seats, is up to them, however, until this event occurs, the Board members are the Supervisors of the District and have a constitutional obligation to discharge their responsibilities in the way they see fit. Mr. Dunwiddie asked whether there would have to be another vote by the County or could they simply sign the documents. Mr. McMackin advised it was his impression from what was said that there will be another vote and part of the Resolution they adopted was for County staff to discuss the mechanics of the takeover with Board. At this time, Mr. Mudge played the following portion of the tape of yesterday's County Commission meeting which pertained to the takeover motion by the Commissioners: Mr. Dorrill: "My recommendation to you today is after the analysis and public hearing that has been presented, that you

instruct both myself and the County Attorney to prepare the necessary documents in relation to the Board's succession of PBID. We can keep a compromise, a spirit compromise or solution on the table but I frankly think it is time to either put up or shut up and see where Pelican Bay Improvement District's intentions are and I am recommending that you take that approach. My understanding is that you cannot take them today, that you can authorize the County Attorney or myself to prepare those documents necessary for the succession powers and duties and if during the interim we can reach that compromise position, it is certainly our desire to do that. If we are challenged or threatened legally, then I think these are matters Jim will have to discuss with you". Mr. Hasse: "This sounds like a logical solution." Mr. Shannahan: "Mr. Chairman, I move that we instruct the staff to prepare the necessary documents relative to the Board's succession to PBID and request input from PBID relative to the same." Ms. Goodnight: "Second." The motion was approved three to one, with Mr. Saunders voting nay.

At this time, Mr. Mudge gave Mr. McMackin the video tapes of yesterday's County Commission meeting, the video tape of the November 7, 1989 meeting and the video tape of the November 14, 1989 meeting for his records.

Mr. Hake reported that yesterday the question came up regarding the despicable organization we have here and all the nasty things that we do and all the unpleasantries we cause the traveling public and he asked Mr. Ward if he had a copy of the County's D.E.R. file which included among other things complaints about Collier County's system. Mr. Ward responded

that District staff has in its possession the County's D.E.R. file and he explained that it appeared that the County had a lot of problems in the mid-1980's and as late as 1986 and 1987 with their percolation ponds. Mr. Mudge remarked he was sorry that Mr. Saunders, in his questioning yesterday, did not ask Mr. Taylor of HM&A whether there was or had been any odor problems at the NCCWWTP.

Mr. Mudge asked whether it would be appropriate for members of the Board of Supervisors to talk to the press, as someone must listen to the District's position in this matter. He stated that yesterday the County Commissioners appeared not to listen very well and seemed to disregard the whole picture. Mr. Hake remarked that when he was back in high school, as part of their training, they had a Kangaroo Court experience and he has never had another experience of this nature until the one that happened yesterday. He commented that it was obvious as to what was going on and if it was obvious to him it had to be obvious to the general public. He could not believe there was so much stupidity in the County that people don't see it. He suggested that maybe the Commissioners would be taken care of during the next election because residents of the County are not stupid and when they find out they are paying \$1.50/1,000 gallons for water and the County wants to charge the residents of Pelican Bay \$.70/1,000 gallons for water, they will react. Mr. Mudge stated that yesterday he was very proud of Mr. George Keller and although he did not always agree with him, he thought he did a good job yesterday, however, County staff never did answer Mr. Keller's question which was what this takeover would do for the Collier County taxpayers and what would be the

benefit to the residents of Collier County. Mr. Dunwiddie remarked that Mr Keller's question was partially answered by Mr. Dorrill who responded that the County would get \$12,253,000 in assets if the County takes over Pelican Bay. Mr. Mudge advised that the \$12,253,000 in assets are the 5,253 equivalent residential units that will be reserved and this is the connection fee that will be charged at \$2,250 for these units and the \$12,253,000 does not include the District's assets. Mr. Mudge concluded by stating that no one seems to be listening to the District and if they don't, it will reflect itself in the rates that Pelican Bay property owners are going to pay and it is going to cost the residents of the County as well.

CONSIDERATION OF AWARD OF BID FOR THE STREET LIGHT LUMINAIRES

Mr. Hake advised that at the last meeting the Board withheld award of the street light luminaires until this meeting because he was going to try and get some prices through his electrical contracting firm, Bogan, Inc., in order to save the District some money. He stated he sent the information to his company last week and today received a report from Bogan, Inc. that they were unable to get a price out of their contacts in Philadelphia. He explained that the problem seemed to be that the District asked for prices on 175 luminaires and the responsive bidders had asked for prices from the manufacturer for 6 of one style and 6 of the other style, which makes the price per unit much higher. He offered that the bidders then evidently took the unit price for 6 luminaires, multiplied it by 175, to arrive at the price they submitted to the District. Mr. Hake suggested that someone is playing games with the District and that someone is either

collusive or marking up the District's price, etc. He advised that when he is able to dig into this matter a little deeper, he would like to turn this information over to Mr. McMackin for his review. Mr. McMackin advised that it appeared that it was Mr. Hake's concern that the bidders submitted bids in more of a retail mode than in a bulk purchase mode. Mr. Peek advised that this was a public bid and the bidders could submit bids for the luminaires any way they desired; in other words they could submit a retail price, a wholesale price, etc. However, as a public agency the District has the right to reject the bids and readvertise for bids. Mr. Hake stated that it would be interesting to see if the prices that he will get from Bogan, Inc. are retail prices. Mr. McMackin remarked that Mr. Peek made a good point and if someone wanted to bid \$1,000,000 a luminaire and the Board was foolish enough to accept the bid, the bidder was within his right to submit this bid. He suggested that maybe the District needed to refine the bidders list and if the District finds that the bidder is not being competitive then exclude him from future invitations to bid. Mr. Hake advised that bids were received from Wesco and Graybar, local distributors, and Bogan, Inc. is an electrical contractor who would buy from these local distributors and he did not know if the hang up is from Graybar or directly from Sterner. He felt there was something wrong someplace and if Graybar was holding back on the District, then he has an electrical company that might spend as much as \$8,000,000 to \$12,000,000 with Graybar and Graybar might be on the outside looking in.

Mr. Dunwiddie suggested that, given the problem, the Board give Mr. Hake more time to study this matter. Mr. Hake advised he would see

what he could find out tomorrow and the Board could discuss this issue at the meeting to be held on April 18th. Mr. Peek advised that the bids expire on April 6, 1990 and although they had asked the bidders to extend their bids, to date, they had not received any response. The Board concurred that it was worth deferring this matter to see what Mr. Hake could find out.

STREET LIGHTING ASSESSMENT REPORT

Mr. Means advised that on December 11, 1989, the Board of Supervisors authorized WMBS&P to proceed with the design, construction and Special Assessment Program for the balance of the street lighting system in Pelican Bay and the "Preliminary Special Assessment Report For a Portion of the Pelican Bay Roadway Lighting System", dated March 1990, is the first step in this direction. He explained that one of the purposes of the Report is to prepare a preliminary cost for the design, construction, legal, administrative and finance costs for the remainder of the street lighting system and the costs included the retirement of the existing street lighting loans for Phase IV and Phase V and secondly to prepare a preliminary assessment roll of benefitting property owners and to determine a method of assessment and finally to apportion the costs among the benefitting property owners. He stated that a map had been included in the Report which defined the assessment area and this area encompasses the remainder of the construction of Pelican Bay Boulevard, Northpoint Drive, Road B, the remainder of Oakmont Parkway and Greentree Drive. He stated that the preliminary assessment roll for the assessment area was compiled from the 1989 Collier County Tax Rolls and includes a property folio number

name and address of the property owner, legal description of the property, the number of ERU's within the property, the preliminary ERU assessment and the preliminary total assessment per property and that the assessment roll is subject to update prior to the final assessment. Mr. Means advised that three methods of assessment were considered: acreage method, equivalent residential unit (ERU) method and front footage method and a detailed explanation of the merits of each method could be found on Pages 7 and 8 of the Report, however, WMBS&P had determined that it would be most equitable to use the ERU Method as this method would assign one ERU to a single family home, a Group II, Group III and a Group IV unit. This method assumes that a single dwelling unit owner, regardless of the Group Type he is in, would pay one unit of assessment. Also under this method, non-residential parcels such as commercial, hotels, parks, etc. would be assessed based on the number of ERU's calculated by the application of the multipliers used in prior District utility reports. He advised that the total ERU's divided by the cost will result in the cost of an ERU and this rate would then be multiplied out by the number of ERU's in each parcel to arrive at the preliminary assessment. Mr. Means stated that Table II.3 of the Report details the Assessment Area, the Group Type, the number of Units, the number of ERU's, the assessable ERU's, the ERU/Unit and the assessment per parcel.

At this time, Mr. Means recommended that the Board adopt the Report so that WMBS&P could continue with the design and construction of the remainder of the street lighting system and following this the final Assessment Roll could be prepared. Mr. Hake asked the time frame involved

in this process. Mr. Means commented that WMBS&P was approximately thirty days away from bidding the final street lighting system and it would take approximately four months to construct the system and at that point they would be in a position to total all the costs and finalize the Assessment Roll and, thus, by the end of the year the District should be in a position to levy the assessment.

In response to a question by Mr. Hake, Mr. Peek advised that you must create the benefit before you can levy the assessment to the benefitted property and without this you have not created any benefit you could charge for. He explained that if the District does not have the money to construct the improvements, the normal way to proceed would be to borrow the money on short term financing and build this into the assessment costs and create the assessment after the improvements are in place.

Mr. McMackin and Mr. Ward offered they would look into this matter further, as they have not looked at their research on this matter recently to determine if the construction process and the assessment process could be concurrent processes.

Mr. Ward advised that if the concepts outlined by Mr. Means in the Assessment Report are generally in accordance with the concepts that the Board had in mind, then Mr. Means could proceed with the engineering work that is necessary to get the system completed and he and Mr. McMackin could proceed with the administrative and legal steps necessary to get the Assessment Roll in place and adopted. He explained that the District would have to hold a number of Public Hearings and whenever the District could get through this process, the Assessment Roll could be adopted.

Following further discussion, Mr. Potter moved, seconded by Mr. Mudge and approved unanimously, that "The Preliminary Special Assessment Report for a Portion of the Pelican Bay Roadway Lighting System", as prepared by Wilson, Miller, Barton, Soll & Peek and dated March 1990, be adopted and staff be authorized to prepare the necessary documents for proceeding with the assessment.

REVIEW AND RECOMMENDATIONS OF WORK AUTHORIZATIONS CURRENTLY IN PROCESS BY WILSON, MILLER, BARTON, SOLL & PEEK AND CONSIDERATION OF REVISED WORK AUTHORIZATIONS TO CONSOLIDATE REVISED WORK PROGRAM FOR IMPLEMENTATION

Mr. Ward recalled for the Board that at the last meeting there had been a discussion regarding the outstanding Work Authorizations that the District has issued to WMBS&P over the past few months and this matter had been deferred until today's meeting.

Mr. Peek explained that WMBS&P has identified by description and Work Authorization No. what the original Work Authorizations were and the work completed to date and have consolidated all of these into a new single Work Authorization which takes this into account and consolidates moving ahead with the uncompleted items at a fixed fee of \$134,500 and for three of the work items on the Work Authorization they would continue to be done on an hourly rate with the amount not to exceed \$40,000.

Mr. Dunwiddie stated that he was sort of shook up when he first saw the engineering costs involved, but then he remembered that the engineering fees include the detailed design and construction supervision which was not in some of the preliminary Work Authorizations.

Mr. Orach explained that the revised Work Authorization consolidates all of the improvements that are needed to comply with D.E.R.

requirements regarding reject water; storage; construction of the pond; and everything that has been completed to date has been backed out of the Authorization and WMBS&P's fees on the authorization are the costs to finish from this day forward and get the facilities constructed. He went on to explain the design status of the items on the authorization. Mr. Dunwiddie remarked that he fully supported all of the items on the Work Authorization which needed to be done but he had some question as to the fee of \$134,500, as he could not determine what the \$134,500 would specifically cover in addition to what the District has already paid for under previous Work Authorizations. More importantly, he felt that before the Board approved the Work Authorization, they had to approve the concept of spending whatever amount of money the whole deal is going to cost and this is the number he did not see. He felt that this item should be deferred until WMBS&P could supply the Board with this analysis, hopefully by the next meeting. Mr. Ward suggested that Mr. Orach could prepare a construction cost estimate of the items outlined in the Work Authorization and this would then supplement the Work Authorization. Mr. Dunwiddie remarked that because he could not determine what the \$134,500 was buying in addition to what has already been paid for, he would like to see both analyses. Mr. Orach offered that by the next meeting he would prepare a construction cost estimate and an analysis of the outstanding Work Authorizations, along with WMBS&P's recommendations on proceeding and this should clarify all of the Board's questions.

Following discussion, the Board concurred that this item be deferred to the next meeting.

SUPERVISOR'S REQUESTS

Mr. Hake stated that two or three meetings ago a question arose concerning the gasoline tanks at the Utility Site and at this meeting Mr. Hoegsted stood up and told the Board that these gasoline tanks belonged to the District as they had been purchased by the District from WCN. He felt this was "garbage" because if there was any pollution of the tanks and the soil before the District took them over, they did not buy the pollution along with the tanks. He felt Mr. McMackin should take a look at this and determine the legality of this issue. Mr. Hake also felt that District staff should invite personnel from the appropriate agency to the site and have them determine whether there is any pollution and if there is make sure it is gotten rid of.

Mr. Ward explained that he has been researching this matter and has now received all the information he needs to prepare the report for the Board, however, in summary, he learned that if the District closes the tanks, they must follow certain EPA guidelines and prepare a closure report which identifies if there is or has been any pollution associated with the tanks over the past several years and if there is or has been any pollution, there are numerous things which must be done in order to solve this problem and close the tanks. He advised that he is in the process of completing the Report and would submit it to the Board upon its completion.

Mr. Hake suggested that the tanks be purged as quickly as possible. Mr. Dunwiddie suggested that someone from staff talk to him before the tanks are purged as he could help in this process.

Mr. Hake asked Mr. McMackin if the Board should act today on the

Proposal they had received from the City of Naples regarding the City providing the District with bulk wastewater treatment plant capacity and returned effluent for residential irrigation. Mr. McMackin felt that any action on this issue by the Board at today's meeting would be premature but it might be appropriate to have it scheduled for the meeting to be held on April 18, 1990. He felt this was a fairly large step and this issue should be properly noticed. Mr. Hake asked Mr. Ward to place this item on the April 18th Agenda. Mr. Hake also suggested that the information in the City's proposal be given to WMBS&P for their review so they could agree or disagree with the items in the proposal. Mr. Ward offered he would see that WMBS&P received this information.

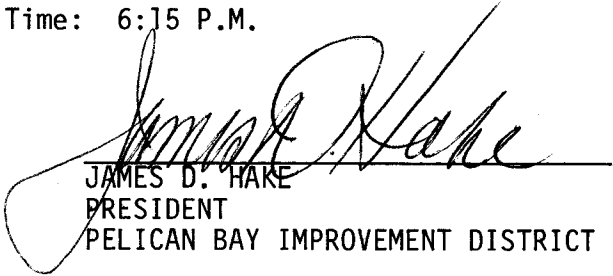
Mr. Dunwiddie stated that the Board is presumably going to have to reply to the County when they ask the Board for their input on the proposed takeover and he suggested that staff be instructed to tell the County when the request is received that this must be a decision by the Board and they must have time to think about it and cannot reply to their request on a moment's notice. Mr. Potter stated that, as he understood it, the County's request for input is on how to carry out the takeover and why should the Board help them with a takeover. Mr. Moyer remarked that he noticed in Mr. Dorrill's comments to the County Commission that the compromise he is looking for is that the District would retain its autonomy and be responsible for water management, street lights, etc. and the County would take over the water and sewer system and it was Mr. Moyer's opinion that this offer is still on the table. He asked the Board whether they would be interested in pursuing this offer. Mr. Mudge replied that if the

County can show the District rates that are going to be better than the District's rates and there is some way to guarantee that these rates would remain in affect and only adjusted for whatever the County does, he felt this issue could be discussed. However, he advised that, to date, the County has not come up with any rates. Mr. Moyer suggested that the first item on the April 18th Agenda should be a discussion with Collier County relative to providing utility service to Pelican Bay and this would give the County another opportunity to present their alternatives to providing service to Pelican Bay. The Board concurred with Mr. Moyer's suggestion, however, they could not understand why they were not present at today's meeting. Mr. Mudge concluded by saying the Board wants to talk to the County to discuss these issues and all they have to do is make an appearance, as all the Supervisors desire is what is best for the residents of Pelican Bay.

Mr. Dunwiddie asked Mr. Ward whether he had enough of a feeling of the Board's views to be able to respond to the County if there are any communications. Mr. Ward responded in the affirmative.

ADJOURNMENT

There being no further business to come before the Board at this time, Mr. Dunwiddie moved, seconded by Mr. Mudge and approved unanimously that the meeting be adjourned. Time: 6:15 P.M.


JAMES D. HAKE
PRESIDENT
PELICAN BAY IMPROVEMENT DISTRICT

PELICAN BAY IMPROVEMENT DISTRICT
APRIL 4, 1990 MINUTES
TAPE NUMBERS & CORRESPONDING AGENDA ITEMS

AGENDA ITEM

NUMBER ON TAPE

- | | |
|---|---|
| 1. Roll Call. | 0 - 3 (Tape 1, Side A) |
| 3. Status Report Regarding Discussions Between Hole, Montes & Associates and Wilson, Miller, Barton, Soll & Peek, Inc., on the Collier County Report to Provide Service to the Pelican Bay Improvement District. | 3 - 754 (End Side A, Tape 1) 0 - 691 (Tape 1, Side B) |
| 4. Consideration of Award of Bid for Street Light Luminaires. | 691 - 754 (End Side B, Tape 1) 0 - 46 (Tape 2, Side A) |
| 8. Engineer's Report. | |
| A) Street Lighting Assessment Report. | 46 - 266 |
| B) Review and Recommendations of Work Authorizations Currently in Process by Wilson, Miller, Barton, Soll & Peek and Consideration of Revised Work Authorizations to Consolidate Revised Work Program for Implementation. | 266 - 373 |
| 12. Supervisor's Request & Audience Participation. | 373 - 595 |
| 13. Adjournment. | 595 - 601 |